



[SEC File No. 270-216, OMB Control No. 3235-0243]

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From:
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE,
Washington, DC 20549-2736

Extension: Rule 206(3)-2

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) the Securities and Exchange Commission (the “Commission”) has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Rule 206(3)-2, (17 CFR 275.206(3)-2) which is entitled “Agency Cross Transactions for Advisory Clients,” permits investment advisers to comply with section 206(3) of the Investment Advisers Act of 1940 (the “Act”) (15 U.S.C. 80b-6(3)) by obtaining a client’s blanket consent to enter into agency cross transactions (i.e., a transaction in which an adviser acts as a broker to both the advisory client and the opposite party to the transaction). Rule 206(3)-2 applies to all registered investment advisers. In relying on the rule, investment advisers must provide certain disclosures to their clients. Advisory clients can use the disclosures to monitor agency cross transactions that affect their advisory account. The Commission also uses the information required by Rule 206(3)-2 in connection with its investment adviser inspection program to ensure that advisers are in compliance with the rule. Without the information collected under the rule, advisory clients would not have information necessary for monitoring their adviser's handling of their accounts and the Commission would be less efficient and effective in its inspection program.

The information requirements of the rule consist of the following: (1) prior to obtaining the client's consent, appropriate disclosure must be made to the client as to the practice of, and the conflicts of interest involved in, agency cross transactions; (2) at or before the completion of any such transaction, the client must be furnished with a written confirmation containing specified information and offering to furnish upon request certain additional information; and (3) at least annually, the client must be furnished with a written statement or summary as to the total number of transactions during the period covered by the consent and the total amount of commissions received by the adviser or its affiliated broker-dealer attributable to such transactions.

The Commission estimates that approximately 378 respondents use the rule annually, necessitating about 50 responses per respondent each year, for a total of 18,900 responses. Each response requires an estimated 0.5 hours, for a total of 9,450 hours. The estimated average burden hours are made solely for the purposes of the Paperwork Reduction Act and are not derived from a comprehensive or representative survey or study of the cost of Commission rules and forms.

This collection of information is found at (17 CFR 275.206(3)-2) and is necessary in order for the investment adviser to obtain the benefits of Rule 206(3)-2. The collection of information requirements under the rule is mandatory. Information subject to the disclosure requirements of Rule 206(3)-2 does not require submission to the Commission; and, accordingly, the disclosure pursuant to the rule is not kept confidential.

Commission-registered investment advisers are required to maintain and preserve certain information required under Rule 206(3)-2 for five (5) years. The long-term retention of these records is necessary for the Commission's inspection program to ascertain compliance with the Advisers Act.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid control number.

The public may view background documentation for this information collection at the following website: >www.reginfo.gov<. Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to (i) >www.reginfo.gov/public/do/PRAMain< and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John R. Pezzullo, 100 F Street, NE, Washington, DC 20549, or by sending an email to: PRA_Mailbox@sec.gov.

Dated: November 1, 2021.

J. Matthew DeLesDernier,
Assistant Secretary.

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